

**Subject:** Arts Presenters' Update on Health Care Reform



Association of Performing Arts Presenters

Congress has officially completed work on health care reform legislation. President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law on March 23. The House and the Senate recently passed a second health care bill (H.R. 4872) to make adjustments to PPACA and President Obama is expected to sign this second bill into law next week. The total estimated cost to implement this health care reform is \$940 billion over 10 years with an estimated reduction in budget deficit of \$138 billion over the same 10 years. The key provisions of H.R. 4872 relevant to our community include the following:

- ***Expands coverage*** to 32 million additional Americans, prohibiting the denial of coverage based on pre-existing conditions and prohibiting increases in premium rates due to pre-existing conditions or gender;
- ***Individual mandate*** will require all U.S. citizens and legal residents to obtain health insurance or pay a penalty of up to \$695 per adult;
- ***Individual affordability*** is achieved through affordability tax credits, based on a sliding scale for individuals and families to obtain health insurance through exchanges up to 400% of the federal poverty level;
- ***Employers*** are not required to offer insurance coverage to their employees, but employers with more than 50 full-time employees that do not offer health coverage must pay a fee of \$2,000 to the federal government for each uncovered employee, with the first 30 employees being exempt from this fee;
- ***Small businesses and qualifying nonprofits*** with 25 or fewer employees with average wages under \$50,000 will be eligible for tax credits so they can extend health insurance to their employees and this credit will be made available ***this year***;
- ***Health insurance exchanges*** will be established by each state to facilitate enrollment for individuals and small businesses